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TAGS: [PGOV](#) [PHUM](#) [TU](#)  
SUBJECT: TURKEY: PRESS FREEDOM - OTTOMAN STYLE

REF: A. ANKARA 328  
[1](#)B. ANKARA 298

Classified By: POL Counselor Daniel O'Grady for reasons 1.4(b,d)

[1](#)1. (C) Summary: The Government of Turkey slammed independent Dogan Media Group (DMG) on September 8 with a record \$2.5 billion dollar fine for alleged tax evasion, relaunching a direct assault on Turkey's largest non-pro-government media group and dramatically intensifying concerns about the state of press freedom in Turkey. Most interlocutors, outside of the ruling Justice and Development Party (AKP), agreed that the fine translated into a clear message to news outlets not to criticize the government. End Summary.

GOT vs. DMG, Round Two  
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[1](#)2. (SBU) In the latest round in the GOT's ongoing feud with DMG (REF B), Turkish tax officials leveled a record-breaking \$2.5 billion fine for alleged tax evasion against the media giant, which publishes Turkey's leading Hurriyet and Milliyet daily newspapers and owns three national television stations: Kanal D, CNNTurk, and Star. The new fine dwarfs a February 2009 tax levy of \$592 million that was made in the wake of Prime Minister Erdogan's election campaign call for the public to boycott the company's newspapers. DMG announced the fine on September 8, causing a twenty percent drop in their stock. DMG officials said the new fine alleged that four DMG companies did not pay taxes on intercompany share sales between 2005 and 2007. In news reports, DMG Chief Financial Officer Soner Gedik denied any wrongdoing and pledged to "use all legal means" to appeal the decision that he said was based on "conditions not covered by law and (which) relied heavily on personal assessments."

[1](#)3. (SBU) Media reaction in Turkey was swift, with DMG media headlines decrying the huge sum as the "world's most unprecedented fine" and "a terrible punishment". Pro-government newspapers carried less sensational headlines that specifically targeted the man behind the DMG, media mogul Aydin Dogan. Islamist-oriented Zaman headlined, "A Record High Penalty for (Aydin) Dogan," and Islamist-oriented Yeni Safak headlined, "Aydin Dogan Gets a Record-High Fine."

An Attempt to Control the Media  
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[1](#)4. (C) Ahmet Abakay, Chairman of the Ankara-based Contemporary Journalists' Union, told us that the GOT's moves were not surprising, describing the fines as part of a deliberate strategy against non-pro-government media. Citing recent ownership changes at Kanal Turk TV and Sabah newspaper, he noted that "first the Government tries to control, then they punish, and if all else fails, they buy it out." (Note: In 2007, Turkey's largest newspaper Sabah was acquired by pro-government interests after failing to pass an

audit inspection. PM Erdogan's son-in-law, who DMG media implicated in a corruption scandal surrounding the Deniz Feneri foundation, is now Sabah's CEO. End Note.) Abakay went on to say that "in this case, the government's main goal is not about tax evasion but to destroy an independent news outlet. Their action, to me, seems like an act of vengeance."

¶5. (C) Ahmet Alan, Chief Editor of Taraf newspaper, wrote that the biggest problem was that only the DMG was punished. Alan continued, "(PM) Erdogan is not scared of the media; the media now has to be scared of Erdogan." Sinan Yazicioglu, Deputy Secretary General of the opposition Nationalist People's Party (CHP), opined that the decision was purely political and aimed to silence the voices of the opposition. Other opposition party leaders had similar comments, accusing Erdogan's government of moving "away from democracy and free speech."

¶6. (C) Abakay explained the timing of the charges by saying that they were a calculated response to DMG's growing criticism of the AKP's recently announced initiatives on Armenia and the Kurdish issue. He said that the GOT considered the DMG, which controls about 40 percent of the media, as a political rival, noting that DMG was the only influential voice left in Turkey to question the government's programs. Ankara University Professor Bulent Capli agreed, stating that the GOT was keen on taming the media in an effort to establish a one-sided media in favor of the government -- the best way they found to put pressure on them was through tax penalties. Hurriyet News Editor and Chairperson of the IPI National Committee in Turkey, Ferai

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Tinc, noted today that "this cannot be considered (only) a penalty. This is a direct seizure and liquidation of a media organization."

¶7. (C) Most interlocutors believed that the DMG would not fold, although this would likely be a very difficult process for them. Abakay predicted that in the end DMG would agree to soften its coverage of GOT initiatives in order to reconcile with the government. However, Hurriyet's Ankara Bureau Chief Enis Berberoglu predicted to us that in the end Dogan would unload his media properties, at bargain basement prices. Berberoglu said Dogan has deliberately kept a much lower anti-government stance recently but that AKP had bluntly informed him that it no longer trusted him, and that it wants him removed from the political landscape. The massive fine removed any ambiguity in AKP's stance, he said.

Comment  
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¶8. (C) The timing of this latest action against the DMG comes against the backdrop of DMG's strong criticism (despite what Berberoglu told us) of the GOT's bold initiatives on Armenian rapprochement and the Kurdish issue. But there already was lingering bitterness over Dogan's relentless pursuit of PM Erdogan over the Deniz Feneri scandal (REF A), and we have been hearing rumblings that the ruling AKP was disinclined to mend its fences with Dogan. The size of this latest tax evasion fine would require Dogan to sell 70 percent of its holdings, according to one analyst's calculation. That magnitude alone seems intended to send a stern warning message to other would-be media critics of the AKP. AKP's rough handling of Dogan not only augurs poorly for press freedom in Turkey, but also suggests that the Government is surprisingly disconcerned about the image this projects in the international arena.

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